

February 6, 2001

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station, 2<sup>nd</sup> Floor  
Boston, Massachusetts 02110

**RE: Boston Edison Company, D.T.E. 00-82**

Dear Secretary. Cottrell:

On November 2, 2000, Boston Edison Company d/b/a NSTAR Electric ("BECo" or "Company") filed with the Department of Telecommunications and Energy ("Department") its 2000 Reconciliation Filing consisting of a reconciliation of 1999 Transition, Transmission, Standard Offer and Default Service costs and revenues along with proposed updated charges and tariffs for effect January 1, 2001.<sup>(1)</sup> In the Company's filing letter, it proposed to update the Reconciliation Filing in the spring of 2001, i.e., providing year-end 2000 data to allow a final reconciliation for both 1999 and 2000.

On January 25, 2001, the Hearing Officer directed the Company to submit its proposal to the Department as a motion no later than February 1, 2001. He further requested the Company to: (1) provide a date when it proposes to file its update; (2) provide a proposed procedural schedule; and (3) address whether this proposal is consistent with or substantially complies with the Electric Utility Restructuring Act, Chapter 164 of the Acts of 1997 ("Act"), the Company's approved Restructuring Agreement, applicable law, and Department precedent. *Boston Edison Company*, D.T.E. 98-111, at 4 (1999). The Hearing Officer indicated that written comments on this motion must be filed no later than close of business, February 6, 2001. Pursuant to the Hearing Officer's ruling, the Attorney General submits this letter as his Comments concerning the February 1, 2001 Motion made by BECo.

As explained in the Company's November 2, 2000 letter, the Company's proposal is for a supplemental filing in the spring of 2001 to provide year-end data that will allow a final reconciliation for costs and revenues for the year 2000. BECo has proposed April 13, 2001 for this update filing. BECo contends that the update is intended only to make the

review more current because, absent such an update, final data for 2000 would not be reviewed and subject to discovery and hearings until sometime in 2002.

The Company's proposal is fully consistent with both the Department approved Restructuring Settlement Agreement and the Electric Restructuring Act. With its November 2, 2000 filing, the Company has complied with Section V.E of the Restructuring Settlement Agreement, requiring an "Annual Update Filing" in November of every year consisting of part actual and part forecast costs. No provision of the Restructuring Settlement Agreement is inconsistent with providing updated information in April for review in this proceeding (as opposed to waiting for the November 2001 filing). Indeed, all forecasted amounts are to be reconciled to actual amounts and the filing of supplemental information furthers that objective ultimately in a more timely manner. The filing also complies with the Restructuring Act, as G.L. c. 164, §§ 1A(a) and 1G(a)(2) provide for an eighteen-month review and reconciliation process.

Therefore, the Attorney General has no objection to BECo's proposed April 13 update.

Sincerely,

Joseph W. Rogers

Assistant Attorney General

enclosure

cc: William H. Stevens, Jr., Esq., Hearing Officer

William S. Stowe, Esq.

Robert Werlin, Esq.

#### Service List

1. After notice and a request for comments, the Department approved BECo's tariffs to take effect on January 1, 2001, subject to further investigation and reconciliation. *Boston Edison Company*, D.T.E. 00-82 (December 22, 2000).